



## **Newman Consulting Group, LLC**

**Consultants for Energy-Efficient and Sustainable Buildings**

6600 Valley Spring Road • Bloomfield Hills MI 48301-2841 • USA

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Michigan House of Representatives  
Committee on Energy and Technology  
House Office Building, Room 519  
Lansing, MI

Dear Committee Members,

Thank you for the opportunity to submit written testimony about the importance of the Energy Optimization Standard, which is a part of P.A. 295 of 2008. Newman Consulting Group (NCG) is an EPA Energy Star<sup>®</sup> Partner and a Rebuild Michigan<sup>®</sup> Partner. NCG works with architects, engineers, building owners and contractors throughout the world to design and construct more energy-efficient buildings to Leadership in Energy and Environmental Design (LEED<sup>®</sup>) and other sustainable guidelines. NCG also assists commercial and industrial building owners by conducting energy audits and retrofits of existing buildings to use less energy – and save money - while maintaining or improving the indoor air quality.

Recent data on existing buildings and equipment stock in Michigan show a huge need for efficiency improvements. In 2011, the Michigan Public Service Commission released two reports that presented the results of on-site inspections of 1,069 homes, and 289 commercial buildings in Michigan. The reports clearly demonstrated that much of the building stock in Michigan lacks basic, relatively inexpensive energy saving measures. For example, only 5 percent of commercial buildings have switched to high-efficiency lighting systems and fewer than half of homes had programmable thermostats.

I am Chair of the Sustainability Committee of the Detroit BOMA Chapter (Building Owners and Managers Association) and have been a trainer for ASHRAE Energy Standard 90.1, which is a part of the state building code, for several years. What we have found in our many energy audits of commercial, industrial and institutional buildings is there are all-too-many examples of low-cost and yes, even no-cost measures, that are not being implemented. Reducing energy use in existing buildings has been a staple of PA295 and has done much to conserve energy both during on-peak and off-peak hours. But more needs to be done if we want to reduce our energy costs in order to bring more business to our state.

Much of what has to be done relates to education – not only of building owners and facility managers, but also of tenants and employees. NCG, as engineers, can discover where buildings are wasting energy, but it often seems like saving money by conserving energy is not something that many people can wrap their heads around, surprising as that may seem.

Conserving natural resources by using renewable energy techniques and systems is certainly one of the methods that must be used. And the efficiency of solar, wind and other systems is constantly improving. But efficiency is the first energy resource the State should turn to in a statewide energy plan for Michigan. We all know that our energy transmission and distribution lines and systems need considerable upgrading. If we can reduce the amount of energy required to be distributed, the more valuable the energy savings is in terms of its effect on reliability.


The cleanest energy is the energy we do not use. ASHRAE Standards are under constant maintenance and are revised and reissued every 3 years. Energy Standard 90.1-2010 is 30% more stringent than the 2004 Standard and 25% more stringent than the 2007 Standard. By adopting IECC 2012 in its entirety, we can save a considerable amount of energy – and money – in new construction.

There are considerably more existing buildings being remodeled, expanded and upgraded than there are new buildings being built. 70% of the buildings standing today will still be here in 25-30 years. The tax deductions in the Energy Policy Act of 2005 (EPAct 2005) did much to advance the use of better lighting technologies in existing commercial and industrial buildings. The moneys available in the EO programs of PA295 also helped.

Through a DTE EO pilot program, NCG received almost \$250,000 in 2011 to perform energy audits and retro-commissioning projects that resulted from those audits. We will shortly be writing an article on one of the retro-commissioning projects now that we have more than a year of documentation of the energy savings. We urge you to continue and expand upon what has already been done.

The Michigan Public Service Commission estimates a cumulative customer benefit of more than \$2.5 billion from 2011 through 2015 due to investments in energy efficiency. The MPSC also reported that for every \$1 used for energy optimization, consumers see a return of \$3.55 in avoided energy costs. I encourage you to support a stronger Michigan economy through Energy Optimization policy.

Sincerely,

A handwritten signature in black ink, reading "James L. Newman". The signature is fluid and cursive, with the first name "James" and last name "Newman" clearly legible.

James L. Newman, CEM, LEED AP BD+C, ASHRAE OPMP & BEAP, FESD  
Owner/Managing Partner